

Message Text

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ACTION ARA-14

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TAGS: EAGR, ETRD, JM
SUBJECT: JAMAICA SUGAR INDUSTRY AT A STANDSTILL

REF: A. KINGSTON 1013, B. KINGSTON 1087,
C. KINGSTON 0188

1. THE ENTIRE JAMAICAN SUGAR INDUSTRY IS NOW IDLE AS STRIKE ACTION BY THE TRADE UNIONS HAVE CAUSED THE CESSATION OF PRODUCTION AT ELEVEN SUGAR FACTORIES WHICH BEGAN GRINDING OPERATIONS FOR THE 1978 CROP.
2. JAMAICA SUGAR ESTATES HAVE NOW JOINED FROME, MONYMUSK, WORTHY PARK, TRELAUNY ESTATES, BERNARD LODGE, INNSWOOD, APPLETON, HOLLAND, HAMPDEN AND NEW YARMOUTH IN THE SHUTDOWN OF OPERATIONS WHICH BEGAN AT FROME ON FEBRUARY 9. THE STRIKE HAVE RESULTED FROM THE DEADLOCK IN NEGOTIATIONS FOR NEW WAGE AND FRINGE BENEFITS, BETWEEN THE NATIONAL WORKERS UNION (NWU) AND THE BUSTAMANTE INDUSTRIAL TRADE UNION (BITU) ON THE ONE HAND AND THE SUGAR PRODUCERS FEDERATION (SPF) ON THE OTHER.
3. THE NEGOTIATIONS WERE SET TO CONTINUE ON TUESDAY, FEBRUARY 21 WHEN THE SPF WAS EXPECTED TO MAKE AN OFFER TO THE UNIONS. BUT THIS MEETING WAS NOT HELD AS THE

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PRODUCERS WERE STILL AWAITING THE ANSWER FROM THE MINISTER OF INDUSTRY AND COMMERCE TO THEIR APPLICATION FOR AN INCREASE IN THE PRICE OF SUGAR FROM THE CURRENT J\$270 A TON TO ABOUT J\$350. NO FURTHER MEETINGS HAVE BEEN SET BETWEEN THE PARTIES. IN ADDITION, THE SPF HAD DECLARED THAT IT WOULD NOT BE ATTENDING FURTHER MEETINGS WITH THE UNIONS UNTIL THERE WAS RESUMPTION OF WORK AT THE

FACTORIES THEN ON STRIKE. AT A MEETING WITH LABOUR MINISTER WILLIAM ISAACS ON FEBRUARY 16, THE SPF MADE AN OFFER WHICH WAS REJECTED AND THE UNIONS ASKED FOR PROFIT INFORMATION FROM THE PRODUCERS. A SPOKESMAN FOR THE FEDERATION HAD DISCLOSED THAT APART FROM UNION CLAIMS, THE INDUSTRY STOOD TO LOSE J\$15 MILLION DURING 1978 (BASED ON AN OUTPUT OF 340,000 TONS AT THE CURRENT PRICE OF J\$270 A TON), AS THEIR TOTAL COSTS EXCEED RECEIPTS AT CURRENT PRICES.

4. THE PRODUCERS HAVE ESTIMATED THAT SO FAR THE INDUSTRY HAS LOST J\$2 MILLION BECAUSE OF THE STRIKES. THE STRIKES HAVE PUT IN JEOPARDY THE REPAYMENT OF A RECENTLY NEGOTIATED WORLD BANK LOAN OF US\$18 MILLION TO BE USED IN THE UPGRADING OF THE THREE LARGEST FACTORIES, FROME, MONYMUSK AND BERNARD LODGE. IN ADDITION TO THE WORK STOPPAGES AT THE FACTORIES, THE WORKERS AT THE SUGAR WAREHOUSE IN KINGSTON, WHICH DISTRIBUTES SUGAR FOR SALE LOCALLY HAVE ALSO GONE ON STRIKE. THIS FOLLOWED A BREAKDOWN OF NEGOTIATIONS FOR NEW WAGES BETWEEN THE SUGAR MANUFACURING CORPORATION AND THE DOCKERS AND MARINE WORKERS UNION. IRVING

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